

**Caroline County
Board of Supervisors Agenda
Executive Summary**

Meeting Date: **June 8, 2021**

Title: **New Business – First Reading of Proposed Amendment of §
103-46.5 of the Code of Caroline County, Virginia (Taxation)**

(Check Mark)

<input type="checkbox"/> Consent	<input type="checkbox"/> Closed Meeting
<input checked="" type="checkbox"/> Action	<input type="checkbox"/> Public Hearing
<input type="checkbox"/> No Action (Information Only)	<input type="checkbox"/> Ordinance
<input type="checkbox"/> Resolution	<input type="checkbox"/> PowerPoint Presentation

Summary: During its 2021 special session, the Virginia General Assembly amended the Code of Virginia by adding to Article 5 of Chapter 36 of Title 58.1 a section numbered 58.1-3668. The purpose of the amendment is to exempt one motor vehicle (a passenger car or pickup or panel truck only) owned and used primarily by or for qualifying veterans of the Armed Forces of the United States or the Virginia National Guard from the personal property tax. To qualify, a veteran must be rated by the U.S. Department of Veterans Affairs as having a 100 percent service-connected, permanent and total disability.

Qualifying veterans are eligible beginning on the date the motor vehicle is acquired or January 1, 2021, whichever is later.

As the Board will recall, Caroline County already has in place a reduced personal property tax rate (70% of the normal rate) for disabled veterans who have lost, or lost the use of, one or both legs, or an arm or a hand, or who are blind, but not necessarily 100% permanently and totally disabled.

County Attorney Ben Emerson has amended the relevant section of the Code of Caroline County applying to veteran's tax relief to add a Section B.

The proposed ordinance amendment will accomplish the following objectives:

- 1) Allow the existing reduced personal property tax rate on one vehicle for qualifying veterans who are not 100% totally and permanently disabled to remain in place;
- 2) Codify the new state mandated personal property tax exemption on one vehicle for 100% totally disabled veterans from a service connected permanent and total disability as that term is used in § 58.1-3668 of the Code of Virginia; and
- 3) Specify that a veteran who qualifies for a personal property tax exemption on one vehicle is not also eligible for the reduced rate on an additional vehicle.

Budget Impact: The estimated revenue loss from implementing this state mandated change is \$56,986.78.

Action(s) Requested of Board: Conduct first reading and advise staff as to whether to advertise the proposed ordinance for a second reading and public hearing (with our without changes) at an upcoming Board of Supervisors meeting.

§ 103-46.5 Imposition.

A. For the calendar year beginning January 1, 2019 and ending December 31, 2019, and for each and every calendar year thereafter, unless changed, there shall be and hereby is levied a tax on not more than one motor vehicle owned and regularly used by an eligible disabled veteran, at 70% of the tax rate established by the Board of Supervisors on motor vehicles.

- (1) This rate shall not be applied retroactively to previous years' tax filings.
- (2) When used in this section, the phrase "disabled veteran" shall mean any veteran who has either lost, or lost the use of, one or both legs, or an arm or a hand, or who is blind, and that his/her disability is service-connected. For purposes of this section, a person is blind if he or she conforms to the definition contained in Virginia Code § 46.2-100.
- (3) An eligible disabled veteran may only receive tax relief on one vehicle pursuant to this section. All other motor vehicles owned or regularly used by said eligible disabled veteran shall be taxed or levied pursuant to the tax rate established by the Board of Supervisors on motor vehicles.
- (4) An application must be submitted to the Commissioner of the Revenue by the eligible disabled veteran upon purchase, sale, replacement, or trade of the designated vehicle. Tax rate reductions will not continue with the vehicle upon transfer or sale nor will the reduced tax rate automatically or retroactively transfer to a new vehicle. In order to qualify, the veteran shall provide a written statement to the Commissioner of the Revenue from the Department of Veterans Services that the veteran has been so designated or classified by the Department of Veterans Services as to meet the requirements of this section, and that his or her disability is service-connected.

B. A veteran who is qualified as being 100% totally disabled from a service connected permanent and total disability, as that term is used in § 58.1-3668 of the Code of Virginia, and who qualifies for the tax exemption provided for in such section, shall not be eligible for the tax relief provided for in Section A above.

- (1) An application must be submitted to the Commissioner of the Revenue by the eligible disabled veteran upon purchase, sale, replacement, or trade of the designated vehicle. Tax exemptions will not continue with the vehicle upon transfer or sale nor will the tax exemption automatically or retroactively transfer to a new vehicle. In order to qualify, the veteran shall provide a written statement to the Commissioner of the Revenue from the Department of Veterans Services that the veteran has been so designated or classified by the Department of Veterans Services as to meet the requirements of this section, and that his or her disability is service-connected.